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U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

HEARING ON

THE LIBRARY OF CONGRESS CHINESE LANGUAGE COLLECTION

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June Teufel Dreyer, Hearing Co-Chair
Patrick A. Mulloy
Michael R. Wessel
Larry M. Wortzel, Hearing Co-Chair

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Library of Congress 10

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P R O C E E D I N G S

CHAIRMAN D'AMATO: The hearing will come to order. Good morning. Thank you for joining us for today's hearing assessing the Library of Congress Chinese collections. Today's hearing continues the Commission's work begun in our 2002 Report to Congress. That report did find some inadequacies in the Library's Chinese collections and recommended several measures for Congress to undertake.

In our 2002 Report, the Commission noted how understanding Chinese perceptions was critical for U.S. policymakers. The Library of Congress, of course, is a critical repository of Chinese documents for Congress and government agencies. Several studies have concluded in the past that there have been inadequacies in the quality and management of the collection.

More disturbing is that in recent years, the Library has testified before Congress on the proposed programs to improve the Chinese language collections, but Congress has not appropriated the funds to move forward with those programs.

I hope today with this morning's two panels we will shed light on the details of the Library's proposed programs for improvement and outside experts' views of further improvements in order to recommend to Congress the best possible means of allowing the Library's Chinese collections to reflect governmental need for a better understanding of China.

And we have today two co-chairmen for the hearing, Commissioner Larry Wortzel and June Dreyer, both of whom have had intimate understanding of the collections. Both speak Chinese, have written extensively on China, are experts on China and on your collections. And I would like to turn the microphone over now to Commissioner Larry Wortzel.

HEARING CO-CHAIR WORTZEL: Thank you, Mr. Chairman and good morning. Thank you all for being here. Today's hearing will look at the Library of Congress collections. The depth and the breadth of Library of Congress holdings is just cosmic in scale. The Chinese language holdings are obviously

just one category of foreign language holdings that add to a large English language collection.

And the language holdings themselves have to encompass the 4,000 years of written history in China. Now that history is filled with varieties of literature and poetry and documents on statecraft, and they're very important to scholarship in the United States. So you've got a lot of, in the Library, you've got a lot of clients to serve, and we recognize that. And the more modern Chinese documents obviously cover disciplines from medical science to engineering and contemporary art, all of public interest to the American people and the scholars here in this country as well as Congress.

But, frankly, what we're concerned about today is whether the Library's collections are meeting the needs of policymakers to understand contemporary perspectives in China and Taiwan on economics, on military theory and on present day security risks? An argument on Tang poetry might get really ugly between a couple of scholars at the

American Historical Association, but it's not going to kill millions of American people with a nuclear weapon and it's not going to sink an American aircraft carrier. So that's why we focus, as we do--and nor will it put people in Akron, Ohio out of work because industries are moving out to China. That's our focus.

There have been studies in the past including one by Commissioner Dreyer, I think in 1995.

HEARING CO-CHAIR TEUFEL DREYER: That's right.

HEARING CO-CHAIR WORTZEL: That describe holes in the contemporary periodicals and books collection, particularly dealing with Chinese military and security issues. And other studies have pointed to larger organizational and cataloging and acquisition issues. So we hope to draw you out on that.

I, just as I told you before we started, the Commission was in Beijing, and with the chairman's permission, I deviated from our itinerary

for a half a day, and went to the Academy of Military Science Bookstore and to National Defense University and PLA press bookstores in Beijing, bought a few books for myself, looked at what's new. You know who are the contemporary authors that Chinese colonels and generals are being told to read when they go to their war college or their national defense university?

And I have to say having looked at your on-line catalogue--and I confess I don't go there all the time, but I did in preparation for this hearing--you're pretty up to date. You're doing pretty well on your book acquisitions and you've got some of the major strategists and some of the--I would say all the major strategists and some of the most controversial thinkers in the PLA, and that's good.

You're a couple years behind in getting them on there, but you know, it takes you a little bit of time to do it, and I recognize that. So I hope to draw you out on things like acquisition strategies. How do you figure out what you're going

to get in these areas of critical economics and national security?

Do you have an advisory board? And are you funded to bring people in and sit them down and talk to them about what the American community of scholars needs? Can you bring all of the legislative assistants or military legislative assistants that work on Asia and China together for an offsite for a day or two? And do you have the funding to get them to talk to you about acquisition strategies?

That's what I hope to draw out today. Now today's first panel includes Dr. Carolyn Brown and Dr. Hwa-Wei Lee of the Library of Congress.

CHAIRMAN D'AMATO: I think we have an opening statement from Commissioner Dreyer as well.

HEARING CO-CHAIR WORTZEL: Dr. Brown is the Director of Collections and Services and received her Ph.D. in Chinese literature. And I'm sorry for my comments about Chinese literature.

[Laughter.]

HEARING CO-CHAIR WORTZEL: And Dr. Lee is Chief of the Asia Division and has more than 40 years of experience in academic libraries. Thanks for joining us, and I look forward to your testimony.

CHAIRMAN D'AMATO: I think Commissioner Dreyer will give her opening statement before the second panel, so why don't we go ahead and proceed.

HEARING CO-CHAIR WORTZEL: We can move right into your testimony.

CHAIRMAN D'AMATO: Thank you very much.

DR. BROWN: Well, good morning. Can you hear me appropriately?

HEARING CO-CHAIR WORTZEL: Yes.

DR. BROWN: Okay. Chairman D'Amato, Vice Chairman Robinson, Co-Chairs Dreyer and Wortzel, members of the Commission, we welcome this opportunity to discuss the Library's Chinese collections and their importance to the Congress and to the American people. We hope the tour that some of you were able to take the other day was useful

preparation for today's hearings. It was actually certainly useful to me to have those discussions.

My remarks this morning will first summarize just the key points from the written testimony. A number of important questions were posed by the Commission's letter of invitation. I will first provide an overview of several significant changes in the Chinese collection since the Commission's 2002 report, then review these and other improvements in greater detail, as well as address other issues concerning the Asian Division in the broader context of the Library's mission and roles.

Four significant major improvements:

We have been able to create six acquisitions teams of Chinese scholars and librarians in China to acquire materials from all major regions. As a result of their work beginning in the fall of 2001, by April 2004, over 5,000 titles had been added to the Chinese collections. I note an error in the number here. The 8,000 refers to a different date.

But by April 2004, over 5,000 titles had been added to the collections including materials on economics, social development, Chinese Communist Party history, foreign relations, military affairs, banking and trade and investment.

The Asian Division's computers have been upgraded and we've added on-line digital resources and databases including the China National Knowledge Infrastructure database, known as CNKI, which is extremely valuable resource for researchers. This includes CNKI Chinese Academic Journals and CNKI Chinese Core Newspapers, as well as we have the People's Daily and China Data Online.

The Asian Division stacks have been thoroughly reorganized and made accessible, and this process was significantly enhanced by the acquisitions of offsite storage in 2002.

Conversion of the Library's catalog to pinyin romanization, which began officially in October 2000 after a few years of planning, was completed in April 2001.

The Library has developed collections of unparalleled depth and breadth on Asia. Current holdings are comprised of almost 2.8 million books, 15,000 current serials, 11,000 units of microforms, in 160 Asian languages covering all nations of Asia.

As some of you may know, the Chinese collection itself began with the 1869 gift from the Emperor of Japan--of China--excuse me--of 933 volumes. The Asian Division serves the information needs of the Congress, its members, committees and staff, and the Congressional Research Service. The executive and judicial branches may send researchers directly to the Library or contract for research services through the Federal Research Division.

Members of the American research community including faculty and students of universities and colleges as well as independent researchers and the general public also use the Division's resources.

In view of China's increasing global political impact, the Library has for some time addressed the capacity of its collections to meet the growing information needs of researchers and

policymakers. Beginning in the mid-1990s, the Library undertook review of six subject areas within its total collections, one of which was the Social Science Studies in 20th Century China, to which Dr. Dreyer made a substantial contribution, and we thank you for that support, interest and work.

This case study confirmed what many suspected: the collections were comprehensive for historical research but were falling short of needs of researchers seeking reliable current information, particularly in the fields of business law, national security, human rights, and politics, both domestic and international.

Major external and internal factors contributing to this shortfall included the emergence of China as a major world economic and political player, the publication boom in and about China, scarcity of Library financial and staff resources, and acquisitions and processing inadequacies.

The study made a number of recommendations to address these issues including the creation of a

working group within the Library to develop strategies for improving the collections and access to them.

In January 1998, after completion of all six case studies, I convened the China Working Group composed of staff of the Asian Division and throughout the Library. Key to this effort were Ms. Helen Poe, who was then Chief of the Division, Dr. Chi Wang, then Head of the Chinese Section, who is a participant here this morning, and including acquisition staff and also staff from the Law Library, Collections Policy Service and Federal Research Division.

In late 1998 and 1999, the Library commissioned two additional internal assessments of specific areas. Dr. David Shambaugh, who is also a member of our next panel, presented his findings in March 1999. His recommendations included establishing an acquisitions facility in Beijing, enlarging the staff of the Asian Division's Chinese Section, reviewing our exchange partnerships in China so as to achieve better quality material,

reducing reliance on book dealers, replacing them with an in-country acquisitions presence, standing orders with the Chinese Communist Party and military publishers, and allocating at least 40 percent of the acquisitions budget for social science materials, also converting to pinyin romanization.

The second assessment undertaken by Dr. Nicholas Lardy of Brookings Institution was presented in October 1999, and recommended subscribing to specific journals in the areas of banking and finance, foreign trade and investment, addressing incompleteness in holdings of several key serials, reorganizing the stacks, increasing staff, and acquiring digital materials.

While it was clear that the Library could accomplish incremental improvements within its current resources, substantial improvements required an infusion of funds. So in the late fall of 1999, I wrote a grant proposal to the Henry Luce Foundation, requesting a grant of \$570,000, 390,000 of which was for a three-year pilot of a new acquisitions methods, and at the Foundation's

suggestion, \$180,000 for fellowships in support of studies more broadly in the Library's Asian collections.

And here actually I need to thank Dr. Shambaugh whose report I was able to use very productively in persuading the Foundation that there was a genuine need for a new strategy. We received the grant in May 2000, and the balance of 2000 through early spring of 2001 was devoted to planning and initial implementation, and this meant things such as selecting the cities and regions that we would focus on, establishing target subject areas and materials we would look for, identifying appropriate potential partner institutions, establishing guidelines for determining the qualifications of those we would hire.

Implementation began in early spring of 2001 and continues through the present. We recognize that in creating a new acquisition methodology, we were piloting a model that, if successful, we would ask the Congress to embrace at the conclusion of the grant. The Library acquires

foreign materials in three basic ways: purchase from dealers, exchange with other institutions and through our overseas offices.

The new model funded by the Luce Foundation is different from all of these three. It relies on teams of acquisitions associates who are Chinese citizens and are hired under contract with the Library, but who collect materials without requiring offices and equipment supplied by the Library.

Between early January and March of 2001, we sent three teams of two persons each to visit potential sites throughout China and identify potential partners. At the conclusion of these trips, we made final decisions on the sites and on the lead person for each team. That lead person then would collect and supervise other team members.

The teams selected were centered in Beijing, Shanghai, Shenyang, Chongqing, Guangzhou and Wuhan and are expected to identify materials for a region, so even though they were in cities, they were identifying materials from an entire region.

In addition to having this geographic breadth, also essential to the project success was the level of subject expertise that each team brought to bear. Teams are comprised of people actively engaged in intellectual productivity within their subject areas. All have affiliations with universities, libraries or think tanks. Individual sites were asked to specialize in specific subject areas that were deemed especially important in their regions.

By late summer of 2001, the teams had begun to send lists of potential publications from which Library staff selected and ordered. During the first year of operations, nearly 3,000 titles were identified and selected for shipping from 63 lists. They send lists and then we select from those.

In ongoing communications over time, the acquisitions associates refine their understanding of the Library's preferences and requirements such that the third year of active operations produced as much productive useful material as the first two years combined.

In 2001, November of 2001, Ms. Helen Poe, Chief of the Asian Division, retired, and I appointed Dr. Peter Young as Acting Chief. Dr. Young immediately initiated the reordering of the stacks, but ultimately the disorder in the stacks could not be successfully addressed until some of the severe overcrowding could be relieved.

In June 2002, offsite storage facilities finally became available and between 2002 and 2004, more than 315,000 volumes of Asian collections materials were transferred to those facilities to make space for newly acquired and high demand materials.

Rather than permanently fill the position of Chief of the Asian Division immediately, Dr. Young and I consulted within the Division and with key people outside of the Library at foundations, East Asian and university libraries, university academic departments, and even with a former U.S. ambassador to Asia. These conversations sharpened our vision for the Division and of the kind of leadership that would be required.

When Dr. Young left the Library several months later to take up his new position as Director of the National Agricultural Library, I recruited Dr. Karl Lo, who had just retired as East Asian Librarian from the University of California at San Diego, and was widely known among East Asian librarians as the country's expert on Chinese digital information.

Dr. Lo guided Library staff in upgrading the division's computer systems to better manage non-roman script, introduced staff to on-line digital resources and databases from China, and expanded the purview of the Luce grant to include digital resources.

With Dr. Lo's departure, at the of September 2002, Dr. Robert Worden, a well-known China scholar and Chief of the Federal Research Division, stepped in as interim chief and he served until the competitive permanent appointment of Dr. Hwa-Wei Lee in February of 2003. With Dr. Lee's arrival, progress accelerated.

Dr. Lee is one of the country's most distinguished librarians for Asian materials, known throughout the world for his achievements at Ohio University and as a visionary leader, cultural communicator, mentor and role model for younger generations of librarians.

Under Dr. Lee's new initiatives, among them were reorganization of the Division for greater operational efficiency, strengthening of collections development and management, improving reader and reference services, extending Library hours from five to six days per week--this is just a pilot project--systematically rearranging the materials in the stacks, speeding up the binding of serials from loose issues, establishing the Asian Division Friends Society for outreach programs and fundraising, expanding digital resources, undertaking major digital conversion projects, and engaging in fostering a spirit of cooperation and teamwork among all staff members.

Dr. Lee has been very successful in all of these efforts and continues his strategic planning for improvement of the Asian Division.

In the Library's budget submission, congressional submission for FY 2005, the Library requested \$459,000 to continue the Luce acquisitions model that had proven so successful and to increase staff by seven FTEs. In FY 2006, we resubmitted the same request at slightly increased funding level, inflationary increase, reflecting these greater costs. Unfortunately, the Congress was not able to fund all of the Library's requests and this was one of those that it did not fund.

HEARING CO-CHAIR WORTZEL: Dr. Brown, we're about at the time limit for your oral testimony.

DR. BROWN: Okay.

HEARING CO-CHAIR WORTZEL: If I might interrupt, I'll try and--

DR. BROWN: That's fine.

HEARING CO-CHAIR WORTZEL: --through questions and answers give you the opportunity to

present the rest of that, and we will put the entire testimony into the record.

DR. BROWN: Okay. That's fine.

HEARING CO-CHAIR WORTZEL: Thank you very much. Dr. Lee.

DR. LEE: Actually Dr. Brown and I, we co-worked on this presentation.

DR. BROWN: He was not going to do an independent.

HEARING CO-CHAIR WORTZEL: Drive on.

CHAIRMAN D'AMATO: Joint testimony.

HEARING CO-CHAIR WORTZEL: Excuse me.

HEARING CO-CHAIR TEUFEL DREYER: Larry, in that case, could Dr. Brown have a little more time?

DR. LEE: Could Dr. Brown finish?

HEARING CO-CHAIR WORTZEL: Absolutely. Continue. Please continue.

DR. LEE: Thank you.

DR. BROWN: Oh, okay. It's actually not much longer. I tried to keep it short. Let's see. In the written statement, I just provided some summary information taken from my 2004 report to the

Luce Foundation. We have not completed--you'll note the dates--the statistics only go through April 2004.

We have not written a complete report to the Foundation for 2005, but we'll write the final report when we have received all the materials funded under the grant. So we expect that when we tally receipts for this period, they will certainly exceed the numbers for the 12 months ending April 2004. There will be another 16 months.

The numbers and lists of subject matter do not capture perhaps the most important fact, and that is that the research quality of the items received is greatly improved. By relying on scholars who are selecting materials in their fields of expertise and librarians who are actively acquiring materials for their own research institutions, we have increased the quality of receipts without a commensurate increase in monies expended.

Further, in some cases, the teams also began recommending highly useful on-line resources

and websites and these websites have been integrated into the Library's "Portals to the World Project," which is an annotation of web resources, and these are available then to use as worldwide.

To conclude, clearly the Luce Project and related work undertaken by the Asian Division in close collaborations with other divisions of the Library has had a major impact on improving the Library's collections and its ability to serve researchers. Within the landscape of Chinese publishing, which is ever-changing, we now know that China is publishing somewhere around 150,000 titles per year. As a result, we will have to work harder, smarter, with continued determination to acquire the materials that the Congress and the research community expect from us.

In the years and months ahead, to the extent that our funding allows, and that's always a limitation, we will continue to collect the most important print resources, expand our access to digital resources and address the challenges of preserving digital materials for the long term. We

thank you for the opportunity to discuss the Library's collections and are happy to answer your questions.

HEARING CO-CHAIR WORTZEL: Thank you very much. It's clear that the Library has actively sought outside help and comment to improve the collection, has reacted to that effectively. You're to be commended for going out for that grant and getting it and then making an improvement.

I would note I noted your comments on human rights acquisitions. One thing that--I guess I shouldn't have been surprised--I was surprised and impressed by the fact that there is now an entire series by the Academy of Military Science of books on ethics in warfare, the law of land warfare, and human rights in Western military doctrine, as a reaction to things like Somalia, Bosnia. So I found that a very interesting collection, and one that would be useful for members of Congress to be aware of, that PLA is moving in that direction as they become more active in United Nations peacekeeping efforts.

I'd be very interested in whether or not your teams in China--I think you said you had six teams--

DR. BROWN: Yes.

HEARING CO-CHAIR WORTZEL: --ever get the opportunity to get here and meet with some of the scholars here in the United States you use to advise you, or do any of your U.S. scholars that may be informal or formal advisers get out to the China to meet with your teams?

DR. LEE: Actually one of our team associates in Beijing is a professor at the History Department of Beijing University. He was a research fellow last year at Harvard University, so he knows very well the research interest here in the United States. He has been a most productive person and provides us, I think, two or three lists every month, and very rich in the number of selections of materials of interest to us, and we make a lot of selections from his lists for acquisitions. So that's part of my response.

HEARING CO-CHAIR WORTZEL: Would it be fair to say, then, that as you did with your Luce Foundation grant, you're dependent on private or outside help to bring these contacts and fellowships about to improve the collection? You're not getting funded by Congress to do those things?

DR. BROWN: That's correct. We're not funded by Congress to do that.

HEARING CO-CHAIR WORTZEL: Thank you very much. Commissioner Wessel.

COMMISSIONER WESSEL: Thank you. And I first want to thank the two of you as well as I know there are a number of others here who assisted the other evening in the tour that Commission Mulloy, I and several others took, and your dedication to your work is evident as is the pride you take in what you've done, and we certainly appreciate all your work.

I'd like to understand a couple of things. Number one, with the termination of the Luce Foundation grant, what will that mean toward the acquisition strategy, meaning the teams that you

have there? Will they be funded in some other way? Is that project going to stop and we're going to revert to formal acquisition strategy? How do you intend to do that?

DR. BROWN: Well, I would say we are still struggling with that issue, and we don't have an easy solution. The funds actually were almost completely expended last September. We had a little bit of money left. Dr. Lee, who was traveling to Asia in any case, we sent him to all six teams and negotiated their continued work this year at greatly reduced amounts of money.

Among the strategies we are thinking about, and we haven't really done our internal budget for '06, is reducing the number of sites for acquisitions associates. You can see if you look at the tables that there were some teams that were more productive, not necessarily because they were better teams, but because of the regions they were working in, so we would certainly reduce the number of teams.

We have a lot of goodwill. It may be that some teams will continue out of really appreciation for Dr. Lee, who is extremely well-known in China. When he came on board, and found out who the teams were, he knew three people in three of the six teams. So there's a certain amount of personal favor. That's not a good way to proceed for a government institution because sooner or later personnel are going to change and you're going to be back to a problem.

The third thing I can say is that our dealers have been educated by this process. Because the Library after the acquisitions associates present their recommendations, the dealers actually have to get the material so they have a clearer sense of what it is we're looking for than they might have had before. So that should be improved.

But I would say that we certainly cannot expect that we will be as successful without funding as we were with funding, and we're still trying to figure out how we're going to deal with that.

COMMISSIONER WESSEL: Let me follow up also on a point, I guess, Commissioner Wortzel made earlier regarding the military issues and the breadth of issues that the Library needs to fill its stacks with to accommodate all the users, but we've now seen the Pentagon come out with a report several months ago about increasing concerns about China's military presence.

When we met the other evening, you indicated that actually the clientele, the users of your collection, is rather broad and is significant numbers of government officials including those from our intelligence services that your stacks are meant to not only serve the academic community, but the policymaking community.

DR. BROWN: Yes.

COMMISSIONER WESSEL: It seems to me this is going to be a significant impediment to Congress making--Congress and other policymakers making informed decisions if we can't fill the stacks with the kind of current information, whether it's periodicals, monographs, the other materials.

Without that acquisition strategy or acquisition teams and with a fairly stagnant budget, how do you intend to keep up? Where does it come from and how do we meet the policymakers' needs? I mean what kind of receptivity are you having within, from others, maybe to help give you the resources you need?

DR. BROWN: I really don't have a simple answer. I'm not sure "the others" that you're referring to. We obviously went back to the Congress and requested support for the strategy. The Congress has been generous in a hard economic period in increasing the Library's materials budget.

COMMISSIONER WESSEL: Are there other grantmakers? You know we have a large percentage of our business community that is aggressively seeking to enhance engagement with China, and doing so means that Congress needs greater information as to China's policies and activities. Is anyone in the business community coming forward to help supplant the federal funds?

Those who want to promote better relations, in my opinion, should have the greatest interest in helping to make sure that you can inform the public and the policymakers? Are any of them coming forward in any way?

DR. BROWN: Let me make one comment and then I'd ask Dr. Lee to talk about his Friends Group. In general, the Library, as a matter of principle, has been very careful about asking the private sector to support activities that the public sector or that the Congress has traditionally supported. And we would not, I mean we were able to go to the Luce Foundation because we were piloting a strategy, and we wanted to find out, one, if we could find one that really worked, and what it would be, and then therefore go to the Congress.

So for basic materials and services, we really, as a matter of policy, the Library has not looked to the private sector for basic funding. Where we do look to the private sector is for, in this case, a pilot for the certain kinds of things that we cannot expect the Congress to fund, whether

it's things like fellowships or special outreach programs, even sometimes special purchases. We have some, in the last few years, some major, you know, multi-million dollar purchases or smaller things like that.

So as a matter of policy, we're really very careful about that. On the other hand, Dr. Lee has been very active in his two-and-a-half years so far in beginning to engage outside resources and maybe you want to say something.

COMMISSIONER WESSEL: Just before you do, I want to ask just one other clarification issue from the other evening. Did I hear correctly that for books to be exported from China, for the Library to receive, there has to be a license for each book?

DR. BROWN: It's--no, the dealers, the exporters. Exporters have a license to export books.

COMMISSIONER WESSEL: Do the books need to be cleared for export?

DR. LEE: Not individual titles.

COMMISSIONER WESSEL: Not individual titles.

DR. LEE: But the dealers we use, they have to be--

COMMISSIONER WESSEL: Licensed. Okay.

DR. LEE: --licensed by the government.

COMMISSIONER WESSEL: I'm sorry.

HEARING CO-CHAIR TEUFEL DREYER: By the U.S. government?

DR. LEE: By Chinese government.

CHAIRMAN D'AMATO: Chinese government.

HEARING CO-CHAIR TEUFEL DREYER: Chinese government.

DR. BROWN: Right.

DR. LEE: For exporting since--but so far we acquire most things are not internal or restricted. They are open publications. In addressing to the outreach programs, one of the things, after I came, I felt it was very important for us to undertake to reach out to academic and other potential user communities. Therefore, we organized an Asian Division Friends Society. We've

been successful in a very short time that we have established this society.

In fact, one of the most gifts we received is \$300,000 from an individual to enable us to create ten to 15 fellowships for researchers from American universities or individual researchers to come to make use of our Asian collections. We hope this is the beginning. We hope to attract more support of this kind so we can encourage and improve the use of our very treasured resources.

VICE CHAIRMAN ROBINSON: If I may interject because I'd just like to follow up on Commissioner Wessel's question a little bit because I'm intrigued by the funding shortfall and how it can be managed because you're a national asset, and I was just wondering if we could probe or understand a bit better why it's the underpinnings of the policy of not working with the private sector to attract funding for materials and services?

It sounds to me like high net worth individuals might not present the same problem, and the question of foundations would be the third

pillar I'm interested in, obviously, the Luce Foundation, presumably a 501(c)(3) status. There are a lot of foundations that would take very, I think, positive view toward helping and it may be that, as you stated, it's restricted to just pilot programs or those sort of seed programs that aren't yet eligible for congressional funding.

That's what I'm hearing, but I'm just wondering about whether those policies are rigid because I think Commissioner Wessel is on to something very important here, that there are very substantial resources that could be brought to bear, and I just don't know if they would bias the system in some way that's uncomfortable for you or whether we could think about policy adjustments that could open the gates a little bit to non-congressional funding.

I worry about Katrina. I worry about, you know--

DR. BROWN: So do we.

VICE CHAIRMAN ROBINSON: --what I thought was 200 billion starting to turn into 300 billion.

In other words, we're going to get into some very tough times, it seems to me, and I think we may have to try to be a little more creative on the funding side. I just want to know what's the rationale for the policy and how rigid is it?

DR. BROWN: Yeah, let me step back a minute and just say that the Librarian of Congress James Billington has been an amazingly successful fundraiser, and since he started at the Library, which is I guess about 17 years ago, he's raised, and these aren't the latest figures, but somewhere in the neighborhood of \$120 million for the Library, and some of this has gone into purchases of collections. Almost half of that has gone into funding the Kluge Center for Advanced Scholarship, some of whose scholars actually have been in the China area.

So it is no aversion--there's absolutely no aversion. There's great interest actually in gaining support from the private sector and all sorts of partnerships of various kinds, and that certainly has included support for special

purchases, and our major donors group, the Madison Council, has been very generous. You may or may not know about the Waldseemuller Map which was a \$10 million purchase. Some of it was congressional. A large percentage of it was private donor.

So there is no aversion to it at all. The concern is that if you rely on private funding for basic functions, the funding can come and the funding can go and then the pillars on which your institution rests can get removed. So you really don't want to root your fundamental institutional work in private funding.

Endowments might be a little bit different. If you had an endowment for, say, a curator in the Chinese Section, then you would know that you--or Chinese collections--you know that you have long-term support. If you had an endowment for collections--right--then you're in a different kind of category, but you really need to be very careful about fundamental functions.

So it's certainly not a rigid policy, but I think those are the principles on which it's based,

and unlike, I guess, a lot of things in Washington, we really think about our successes of predecessors 200 years ago and what we're going to be leaving to people 200, hopefully 200 years in the future, and you don't want to undermine future capacity to sustain the work. So that's the principle. Within the principle, there is certainly flexibility.

VICE CHAIRMAN ROBINSON: Thank you.

HEARING CO-CHAIR WORTZEL: Commissioner D'Amato.

CHAIRMAN D'AMATO: Thank you, Mr. Chairman, and thank you for that answer and for your testimony. Sorry I didn't get to take the tour with you. I intended to. I had another conflict at the last minute, but I would like to get over and also get a little orientation.

DR. BROWN: Good.

CHAIRMAN D'AMATO: From what I'm hearing, you've made some major progress in the last couple of years. On the funding, it sounds like you have a sound policy. To me, the Library of Congress is not a charitable organization. It's a national

institution that needs to be funded by the Congress.
Let me ask you what is your budget projected for
2006?

DR. BROWN: The overall Library budget?

CHAIRMAN D'AMATO: The budget that's being
funded by the Congress.

DR. BROWN: You know I don't know the
exact. It's around \$400 million.

CHAIRMAN D'AMATO: For the Collection?

DR. BROWN: No, no, for the whole--

CHAIRMAN D'AMATO: For the entire Library?

DR. BROWN: --the whole institution.

CHAIRMAN D'AMATO: In other words, you
participate in the divvying up of the budget?

DR. BROWN: Yes, yes.

CHAIRMAN D'AMATO: --from the Office of the
Director?

DR. BROWN: Correct.

CHAIRMAN D'AMATO: Yeah. And what would
you expect your particular part of that pie to be
next year? Let's say what was it last year? This
year, 2005?

DR. BROWN: Okay. I'm not quite sure what the question is. Remember my responsibility is for all of the Collections and Services Directorate.

CHAIRMAN D'AMATO: Yeah.

DR. BROWN: So the Asian Division is one of 16 divisions.

CHAIRMAN D'AMATO: Right. So my question is of the appropriated amounts to the Library for 2005, what part went to the East Asia Division?

DR. BROWN: Let's see. In terms of--

CHAIRMAN D'AMATO: You can take that back if you want.

DR. BROWN: Yeah, I think I'd have to get back to you in detail.

CHAIRMAN D'AMATO: I mean I'm just curious as to the level of priority that's given to Asia and to China within the budget of the Library as opposed to other sectors like the Soviet Union which has been a favorite of the Library for many years.

So the question is whether or not the legislative--you're in the Legislative Branch Appropriations measure?

DR. BROWN: Yes.

CHAIRMAN D'AMATO: Whether or not you're getting your appropriate amount there.

DR. BROWN: Yeah. I can certainly get back to you with the specifics, but I would say in general, if I look at the personnel in, say, the European Division, which is where the Russian staff would be--

CHAIRMAN D'AMATO: Yeah.

DR. BROWN: --and I look at the personnel in the Asian Division, and even if I just look at those folks who have strong backgrounds in Chinese studies, they're fairly comparable.

CHAIRMAN D'AMATO: Comparable.

DR. BROWN: I would not see that one is greatly favored over the other. I have not done an analysis of the materials budget, a comparative analysis of the materials budget, but I can say in response to I think it was Mr. Wessel's question the other night about funding, that the funding for Chinese language materials, and that I'm talking

about in Hong Kong, Taiwan and PRC, and I know Hong Kong is part of the PRC--

CHAIRMAN D'AMATO: That's all right. Sort of. Sort of.

HEARING CO-CHAIR TEUFEL DREYER: Sort of.

CHAIRMAN D'AMATO: Sort of.

DR. BROWN: --but when we figure, we calculate differently. Sort of. Right. Is somewhere in the range of 325,000 to \$350,000. And that includes monographs, serials, databases.

CHAIRMAN D'AMATO: For all your acquisitions from those areas from those areas for last year?

DR. BROWN: Right. Is in that range. Of course, it varies from year to year, and there's shifts in the dollar, and, you know, special purchases and what not, but that has been the range.

CHAIRMAN D'AMATO: Now let me ask you this. Your clients or part of your client base are the committees of the Congress.

DR. BROWN: Correct.

CHAIRMAN D'AMATO: Do you visit with them in terms of their needs? What I'm curious about is to what extent are you connected to the committees and their work? I know CRS gives them--

DR. BROWN: Right.

CHAIRMAN D'AMATO: --but also the Collections, do you connect with them on a regular basis, talk to them, ask them what they need, and do they have a relationship with you, the Foreign Relations Committee, International Relations Committee, the armed services committees, the intelligence committees, the banking committees, all have major work to do with regard to the U.S.-China relationship and need materials and information on a regular basis.

So my question is how, what kind of a relationship do you have with those committees, or is that something that we ought to think about?

DR. BROWN: Yeah, I would say we have not been proactive in establishing relationships with those committees and there are a number of reasons for that that I could go into. However, individual

members of Congress and sometimes individual committees do go to the Asian Division with particular questions, and Dr. Lee could say more about those specifics. But those members of Congress or committees who are aware of the Asian Division will sometimes come directly to us, but we do not have--

CHAIRMAN D'AMATO: You don't have an outreach program?

DR. BROWN: --aggressively go out to them.

CHAIRMAN D'AMATO: Yeah. And lastly, let me ask you a couple of questions about your collections. Do you get unclassified materials on a daily basis from the U.S. executive branch agencies, the State Department, the Defense Department and other agencies, unclassified cables of work? We just went, for example, on a trip to China. A number of unclassified cables were written about our visit. Some of them may be useful in a historical context, and the Library might be interested.

Do you have any kind of a connection to the executive branch in terms of that kind of daily collection of unclassified materials?

DR. BROWN: I believe we don't--

CHAIRMAN D'AMATO: Reports that they do, cables that they write, other materials that they might have available that would be useful for the Congress?

DR. LEE: Non-Asian language materials normally is acquired by other divisions of the Library of Congress. We do make recommendations, but we don't have direct contact with the government agencies.

CHAIRMAN D'AMATO: Yes.

DR. LEE: So this may be the area that I would like very much to look into. I thank you for mentioning this important--

CHAIRMAN D'AMATO: What we're trying to do is make sure you're relevant to not just CRS, but the Library itself is relevant to the needs of Congress and can lead in some ways the Congress,

given the materials you might be able to make available. Thank you very much.

DR. BROWN: Yeah. Let me just comment. The daily work of the executive agencies and all of their papers go the National Archives. They don't come to the Library of Congress. So that they would be, I'm assuming the kind of materials you're talking about would be collected and would be saved and preserved for researchers.

CHAIRMAN D'AMATO: Yeah.

DR. BROWN: But they would be preserved in the National Archives, not in the Library of Congress.

CHAIRMAN D'AMATO: What I'm getting at is I'm not interested in the researchers here. I'm interested in--

DR. BROWN: Okay.

CHAIRMAN D'AMATO: --in the policymakers in the Congress.

DR. BROWN: Yeah.

CHAIRMAN D'AMATO: There needs to be a way station between the executive branch agencies and

the Archives that says this stuff should go to Congress. This is stuff that's relevant now for policymakers. That's my question.

DR. BROWN: Yes, I understand.

HEARING CO-CHAIR WORTZEL: Commissioner Mulloy.

COMMISSIONER MULLOY: I want to join Commissioner Wessel in thanking you for the tour that was given. It was very helpful. Dr. Chi Wang is testifying on the next panel, and I took a look at his testimony, and I want to ask you a couple of questions based on that.

DR. BROWN: Okay.

COMMISSIONER MULLOY: He tells us that I think from 1928 till 2004, there was a separate China Section within the Library of Congress, and that there was a reorganization in 2004, and the individual country sections were abolished and downgraded to teams. He seems to have a concern about that, and I wanted to raise that with you and put on the record. What was the rationale for doing that, and do you think it was a wise decision?

DR. BROWN: Okay. On that question, I think I will defer to my colleague, Dr. Lee, who is-

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DR. LEE: Since 1928, when we first established the Chinese Literature Section within the Library of Congress, there are many changes in names. I think the Chinese Literature later on changed to Chinese and Japanese Sections, and then later on to other names, and then Chinese and Korean Section, and then Korean Section was separated out and became a Chinese Section.

There's many change in names. This is natural in any organization. When I came in 2003, I felt very strongly a lack of unity within, even just within the Chinese Section itself. The individual scholars are specialists. They work more or less on their individual, on their own. There is no team spirit. So one of the things I was hoping to achieve is to make the whole group of scholars to work together as a team to improve the performance, to increase the efficiencies of the overall performance of the Chinese Section.

So also we are not looking just at the Chinese Section alone because there are four other sections within the Asian Division, Japan, Korea, South Asia and Southeast Asia, and all have similar kind of problems because of lack of unity, lack of teamwork spirit.

So I instituted a change which went through all the approval stages. We now have five very strong areas that are teams: China and Mongolia, Japan, Korea, which includes South and North Korea, and I divided southern Asia into two teams, Southeast Asia and South Asia, to give recognition of the importance, the growing importance of India and other mainly southeast Asian countries. So we are doing very well as a result of this reorganization. I think staff morale when I came was at an all time low. Now it's very high, everyone really working very hard as a team.

We also try to build up the back-up person. Before, because of small number of staff we have, there's no back-up. If someone takes vacation or someone gets sick, no one else is able to step in.

So the team approach to build up the necessary back-up person for each expertise area. So now if someone takes a vacation, take a trip, acquisition trip to China, there is always another person or more than one person to be the back-up person to support the activities. Those are some of the main reasons for the reorganizations.

COMMISSIONER MULLOY: Dr. Chi Wang also tells us that you have overseas bureaus in India, Pakistan, Indonesia, Nairobi, Cairo and Rio de Janeiro. And that these, I guess, can facilitate acquisition of books. You had these bureaus. He wonders why we don't have such a bureau for China.

I mean if we have these overseas areas, I would think China is more important than some of the ones you presently have in terms of U.S. national interests. So how do you make a decision or can you reallocate an existing one and the resources that are funding, say, a bureau--and I won't--in Nairobi or Cairo and put them in China? And is that something that you would think about in order to

take care of some of the concerns that this group has about what we're acquiring from China?

DR. BROWN: It's a very good question, and it's one we wrestled with when we got the Luce grant, and when we were thinking about the grant, when we got the grant, because the question became what is the most cost effective means of securing the best materials we could get from China? So we started with a basic question.

And one of the things about the field office, the overseas offices, is that they are actually quite expensive to run. They either have their own real estate. They're often within the U.S. Embassy complex. They're taxed, as it were, at embassy rates and, of course, now, this year, we had a great increase because of increased security. Many of them have other functions. They will do cataloging. They will do microfilming. So they're more than just facilities for collecting materials. So as we looked at China, and as I said, asked the fundamental question, what's the most effective means of getting materials at the least cost, we

decided to try this other model which enables us to have the intellectual quality of experts.

In fact, we have probably more--the overseas office might not want me to say this, but I think we probably have more scholars and librarians working to feed the Library material than the overseas offices. I mean we have the intellectual level of the people who are working for us is very high, and yet the cost is very low because we didn't build any new infrastructure.

These people have their own computers and their own desks and they have their own networks. So our experience, and this is again part of why you pilot a program, was that, in fact, we were getting excellent materials at comparatively lower costs by using the new model, and I'm not remembering now all of the detail, but there were some preliminary looks at what it would cost to have an overseas office if you have an American overseas, and they're all sorts of other costs that go into that. So this was, as I said, it was a pilot of a fourth way of getting

materials that has been, so far has been very effective.

COMMISSIONER MULLOY: Mr. Chairman, let me make one observation on that. You have a resource problem apparently, and the Luce money is finishing up, and if you don't get the money from the Congress, or some other foundation, you may have to choose priorities between some of these overseas offices and China.

My own judgment in looking at this is probably China is emerging as such an important issue for the United States, you really ought to, if you can't resolve this some other way, give consideration to whether you want to wrap up one of these other offices through acquisition teams going out, and put your permanent facility in the new embassy. They're building a new embassy in China right now, and you can get your foot in the door maybe before that space is gone.

Thank you.

HEARING CO-CHAIR WORTZEL: Thank you very much. Commissioner Dreyer.

HEARING CO-CHAIR TEUFEL DREYER: Thank you.

It's very good to hear about all this progress that's been made since my report, and I'm wondering--I have a lot of questions--about the offsite storage base issue. How far off site is the storage, and is it necessary for scholars to go there or can you arrange for the materials they request to be brought to the Library? Are people happy with this? I mention it partially because my own university's library ran out of space and they set up an offsite storage facility, and people are most unhappy with it. What has been your experience?

DR. BROWN: Actually our experience has been wonderful. The offsite storage facility is in Fort Meade. I'm not very good about distance, but it's about a 45 minute--40 miles--okay--it's about 40 miles away, 45 minutes to an hour drive. And we have I think it's twice a day delivery of materials. Commissioner Wortzel will be happy to know that we sent some of the less used material, including

literature, off to Fort Meade, so that we have the higher use and more, the newer material on site.

HEARING CO-CHAIR TEUFEL DREYER: This is the Tang poetry he mentioned.

DR. BROWN: The Tang poetry. We keep a little Tang poetry nearby. You wouldn't want to be without all together.

HEARING CO-CHAIR WORTZEL: It's my failure.

[Laughter.]

DR. BROWN: No, I studied a lot of Tang poetry. It doesn't help in military affairs. The other thing about Fort Meade actually which has been quite wonderful which is because they're new buildings and they're designed just for books, the climate control is excellent. We don't send anything out unless it's been absolutely under close bibliographic control. So in--I'm not sure how many years it's been open--five or six years we've had some facilities. We've had 100 percent return rate, so our experience with offsite storage has been very good.

I should say it is not a site that provides reader services, so if a reader wants some material, we send it for it and bring it back. So if you ask in the morning, you can get it in the afternoon. Or ideally, if you can identify what you want a day before, we can have it there for you when you arrive.

HEARING CO-CHAIR TEUFEL DREYER: And I notice, for example, that certain improvements are yet to be made. I'm looking at knowledge of weaponry, ordnance knowledge here, and I see that in 2000, there are fewer missing issues than there were in 1989, but there are still a number of missing issues. What happens there?

DR. LEE: It was a problem that the dealer did not automatically renew the publication at the end of year 2000. As soon as we found out they were missing in two years, 2003 and 2004, so we reminded them to reorder to resubscribe. So we got one issue in 2004, but now the other issues should be coming in because I just double-checked--

HEARING CO-CHAIR TEUFEL DREYER: Okay.

DR. LEE: --to be sure we have--

HEARING CO-CHAIR TEUFEL DREYER: And hopefully something is being done so that the dealer doesn't let the subscription lapse?

DR. LEE: Right, right.

HEARING CO-CHAIR TEUFEL DREYER: Because this is very awkward.

DR. LEE: Sure, sure.

HEARING CO-CHAIR TEUFEL DREYER: Okay. I notice in your long list of what you're acquiring, that there's women studies and Taiwan studies and heaven knows what studies. Nothing much--you mentioned nothing about ethnic minorities.

DR. BROWN: Oh, we do, yeah.

DR. LEE: Yes, we do.

HEARING CO-CHAIR TEUFEL DREYER: Yeah. So that would perhaps come in under the Southwest Collection or the Western Development Project?

DR. LEE: Yeah. Chongqing representative actually covers a lot of minority groups publications, both western and southwestern part of China. So we continue to--also northeastern part of

China as well. And we now have also have a new area specialist just recently added to our staff, and her expertise is on Muslims in China.

HEARING CO-CHAIR TEUFEL DREYER: Good.

DR. LEE: Particularly western part of China.

HEARING CO-CHAIR TEUFEL DREYER: Muslims, yeah. Uh-huh. So, in other words, not just Hui, but also Uighurs and Kazakhs and--

DR. LEE: Right, right.

HEARING CO-CHAIR TEUFEL DREYER: What about making these available electronically so that someone potentially who lives in California could access the Library's collection of a particular Chinese journal electronically? Does that pose copyright problems? Do you do that?

DR. BROWN: There's copyright.

DR. LEE: Licensing problems because the publisher doesn't want us to make them available universal. So we acquired these digital journal newspapers. They had to be used within the Library.

HEARING CO-CHAIR TEUFEL DREYER: Oh, that's awkward.

DR. LEE: But the readers, the researchers, they can bring their disk, hard disk computer. They can download. Once downloaded, they can do whatever they want, but by licensing agreement, we cannot put in the web to make it accessible for scholars. The Library of Congress is also doing some of our own digitalizations for the things not under the copyright control. Those things can be--

HEARING CO-CHAIR TEUFEL DREYER: So, in other words, if this hypothetical scholar in California wants to access ordnance knowledge, you could arrange for a disk to be downloaded?

DR. BROWN: No, we cannot do that.

HEARING CO-CHAIR TEUFEL DREYER: You cannot do that.

DR. LEE: They have to come--

DR. BROWN: We're like the minister's child. The U.S. Copyright Office is part of the Library of Congress, and so we are very strict in

adhering to copyright laws, in my experience, even probably more so than university libraries.

For your hypothetical researcher in California, what we could do is if there's a particular item that they want, we could print it out and mail it just as if it was from a book. We would make a xerox copy and mail it, and that would fall under--

HEARING CO-CHAIR TEUFEL DREYER: So it would be like this maybe?

DR. BROWN: --fair use. Well, of course, the amount of material that we will xerox and send or print and send is a lot more limited, but until there are adjustments in the copyright law, we are going to abide by it in sort of the strictest sense, and whenever there is an issue, we run down the hall, as it were, to lawyers in Copyright and get judgment as to what we can do and what we can't do, and we abide by those.

HEARING CO-CHAIR TEUFEL DREYER: Kind of annoying for the hypothetical scholar.

DR. BROWN: Oh, it's definitely annoying.

HEARING CO-CHAIR TEUFEL DREYER: Yeah.

DR. BROWN: But it's the law.

HEARING CO-CHAIR TEUFEL DREYER: Now, Dr. Lee mentioned open source data, which is what you collect. As many of us know, the interesting stuff tends to be in the "neibu" and "neican" and so on data, and this is often quite freely available in Hong Kong bookstores. In fact, there's sunshine books in Hong Kong and places like that just specialized.

Are you concerned that if you acquire "neibu" data, that there may be some problem down the line or what?

DR. LEE: We supplement our regular acquisition in China from Hong Kong and from Taiwan. Therefore, if the material is marked "internal circulation only by Chinese government," we try to treat them very carefully because there's I think--

DR. BROWN: Right. We do not, as a matter of policy, we do not collect "neibu" and again, we're a government agency. We're not a university. I know universities are--I believe--I don't know

this--I believe universities are often a little less stringent in that area, but as a government institution, we honor those classification requirements.

HEARING CO-CHAIR TEUFEL DREYER: I see. Okay. Final question. Dr. Lee, Dr. Brown, you mentioned that Dr. Lee gets a great deal for the Library because of his respected position within the field. And you mentioned that if personnel changed, this may be a problem. Here is my concern.

While I applaud your efforts in applying for grants to supplement the budget available, I am concerned that this is something that Congress probably should be funding. Naturally, the more you get from private sources, the lower our taxes may be. So I can only be happy about that, but this is a concern because I imagine a large amount of your time is spent applying for grants and scurrying around to see what grants are possible, and is there a long-term support kind of goal, and these grants have to be renewed periodically; correct?

DR. BROWN: Yeah. It depends on what the grant is. Obviously, the Luce grant was for a particular period for a particular purpose, and you have to balance the amount of time you spend looking for grants with the amount of time you spend, you know, doing your work. So that--

HEARING CO-CHAIR TEUFEL DREYER: Exactly. And you could probably do your work better if you did not have to spend so much time applying for grants.

DR. BROWN: Right. In fact, we don't really have a huge amount of time to look for grants. At the time that I got that grant, my responsibilities were a lot less and at this point, if you'd ask me to write such a grant, I'd probably laugh because, you know, evenings and part of the weekends are already taken up with Library work.

HEARING CO-CHAIR TEUFEL DREYER: See my concern is although I am very pleased to see the improvement in things over the last ten years, you indicate that a large part of this is due to Dr. Lee, and I don't want to have to sit here, assuming

I'm still around ten years from now, and hear about, oh, the good old days when Dr. Lee was here, and now it's all gone back to the way it was in 1995.

And I realize you won't have this off the top of your head, but if you could get back to us with some figure that you think would be useful for long-term support of the Library collections without relying on the goodness of strangers, so to speak, perhaps we could try to help you get that figure.

DR. BROWN: Yeah. We certainly appreciate whatever help you could provide and appreciate the fact that you are anxious to provide that help. And although, as you said, we're very happy to have particular, you know, assistance, and Dr. Lee and what not, the Library of Congress is an institution, and we do have to think institutionally and as someone who has spent a lot of time studying China over the years, I am extremely aware of the great importance of China, of its long history and something of the way that Chinese have thought about their own appropriate position in the world as the Middle Kingdom, and their sense of what earlier

humiliation in the 19th and early 20th century, and how that gets played out in terms of--or possible ways it can get played out in terms of the current-- I guess we're in the 21st century now--so I take these issues as seriously as you do, and I do think we need institutional responses and the personal is a great addition, but we need institutional solutions.

And at this point, I can say we don't have a good institutional solution. We're looking for them. We've made certainly, you know, made our efforts. We have the Library in support. We'll look at internal changes, but we do not have a good solution at this point.

HEARING CO-CHAIR TEUFEL DREYER: So, and this is my last statement on this, perhaps a request, a recommendation from this Commission that the issue of long-term institutional support be addressed would be something you would be comfortable with. Good. Thank you.

DR. BROWN: Right.

HEARING CO-CHAIR WORTZEL: I hesitate to allow Commissioner Wessel to ask another question.

COMMISSIONER WESSEL: A very quick question. If I remember, the other night you indicated that your advisory group, the people in China, had recommended I believe it was somewhere in the neighborhood of 5,000 acquisitions, but you were only able to acquire roughly half of them, meaning that what has been identified as useful to us, we're falling short for a variety of reasons.

And adding to all of the comments that have been made about the need to ensure long-term sustainability of the budget and to meet policymakers' needs, we really want to work with you on trying to address that.

DR. BROWN: Thank you.

DR. LEE: Thank you.

HEARING CO-CHAIR WORTZEL: I have a final one. The Hoover Institution has a collection of a lot of the internal dissident writings from the Democracy Wall movement. UCLA has a lot of the internal dissident writings from the Tiananmen

massacre. Do you have a collection of dissident work?

DR. LEE: We do.

DR. BROWN: Well, but we really as a matter of policy, we do not want to collect that kind of material. Now some of it is, you know, sometimes in various ways has arrived in the collections, but we're not the Hoover Institute. You know we are a government institution. It's just a--

HEARING CO-CHAIR WORTZEL: Well, I thank you for the testimony today. I'm very impressed, and I said to Co-Chairman Roger Robinson that I've been very impressed with what I've heard about the management decisions you've made. I think you've done a wonderful job for our country and for the Congress and the Library in managing a difficult issue, thinking it through carefully, with principles, and following a strategy.

Thank you again for your service, and we'll take a five minute break here.

CHAIRMAN D'AMATO: Yes. Thank you very much.

DR. BROWN: Thank you.

DR. LEE: Thank you.

[Recess.]

HEARING CO-CHAIR TEUFEL DREYER: Good morning, ladies and gentlemen. I am particularly looking forward to this hearing because not only I am a former employee of the Library of Congress, but in 1995, sometime after I left the Library, I was commissioned to conduct a study of the Library's Chinese language holdings with regard to documents related to national security interests.

The results show that the collection was seriously lacking in many respects. My colleague, David Shambaugh, whom I happened to meet at an Association for Asian Studies conference in 1999, told me he was doing a study on the exact same topic, from which I concluded that there had been a perceived lack of sufficient progress between 1995 and 1999. My colleague, Professor Shambaugh, reached similar conclusions, and he includes in his report such devastating organizational findings as a five-year backlog in cataloging new acquisitions.

The Commission addressed the status of the collections in its 2002 report to Congress. It concluded that improved collections were necessary for policymakers to have a clear understanding of Chinese perceptions toward the United States.

Today, we have an ongoing debate on whether China is a friend or a foe or something party way in between. We cannot hope to address this issue intelligently without access to the Chinese documents themselves. What are they saying, not just to us in English, but to each other in Chinese?

It is my understanding that there have been several improvements since both my 1995 study and Professor Shambaugh's 1999 study such as new online catalogs and expansion of the Chinese periodical section.

These changes are important, but it is my belief that many more remain. We certainly thank Dr. Brown and Dr. Lee for their testimony.

The second panel will consist of the aforementioned Dr. Shambaugh, who is Director of the China Policy Program at George Washington

University. In addition to many China-related topics he's expert in, Professor Shambaugh has extensive knowledge of the mainland China publishing industry.

Next we will hear from Dr. James Mulvenon, Director of Advanced Studies for the Center for Intelligence Research at DGI, Incorporated, and a frequent consumer of the Library of Congress Chinese collection and services, as well as a frequent witness in front of this committee, the last one being yesterday.

Finally, we have Dr. Chi Wang, the former head of the Chinese section of the Library of Congress, who has a long and distinguished career in Chinese language library collections.

Thank you all for joining us, and Dr. Shambaugh, I turn it over to you.

DR. SHAMBAUGH: Thank you, June. I did not submit a written statement prior to this hearing, but if you can indulge me about ten minutes, I'd like to open with a oral statement.

CHAIRMAN D'AMATO: That's fine.

DR. SHAMBAUGH: Is that okay?

CHAIRMAN D'AMATO: Sure.

HEARING CO-CHAIR TEUFEL DREYER: In theory, David, you have seven minutes, but the chair is forgiving. Okay.

DR. SHAMBAUGH: Okay. Thank you. I'll try and be succinct. Well, first, let me thank the Commission for inviting me to testify. I have to be honest and say that after my first appearance before this Commission in its first year of activity, I promised myself that I would not return.

[Laughter.]

DR. SHAMBAUGH: And I have, in fact, turned down a number of invitations to testify before this Commission since then including yesterday's hearing on Taiwan military balance.

However, I think this issue before us today is of such importance, both to our nation, but to myself--I'm a bibliophile at heart--that I am happy to accept the invitation today.

Secondly, the subject of this part of the hearing, I gather, at least on the schedule, is

meeting government needs. Now, I and neither Dr. Wang nor Dr. Mulvenon are from the government. So I'm not sure what the Commission is trying to get at in this particular session, but I would encourage amongst other recommendations that you hold subsequent sessions with people from the executive branch and, in fact, the legislative branch and the intelligence community and the foreign broadcast information service in particular to get their views of government needs.

Nonetheless, I'll try and give my own sense of what government needs are with respect to open sources. The events of 9/11, again, raised the importance of open sources and open source intelligence, or so-called OSINT, for the United States, and indeed the 9/11 Commission report among its many recommendations was to create an open source intelligence center inside the U.S. intelligence community.

Whether that center would be housed physically in the CIA or elsewhere under the new National Director of Intelligence was left open by

the 9/11 Commission, and it's a little unclear to me where progress on creating such a center is at the moment. But, nonetheless, the point here is that both the events of 9/11 with respect to the Islamic world in particular, but the 9/11 Commission report have drawn us back to something that we understood very well during the Cold War, the importance of open source, that is to say non-classified openly published materials, in a variety of countries for helping to understand those nations.

During the Cold War, of course, the U.S. intelligence community but also the scholarly community benefitted tremendously by efforts to collect, translate such materials from the former Soviet Union, Eastern Europe and Communist world.

The U.S. government used these materials to supplement what they collected through so-called "national technical means," as these materials offered unique insights into politics, society, and military affairs of those countries. The Foreign Broadcast Information Service, FBIS, and the now defunct Joint Publications Research Service, JPRS,

led the way in this effort, and contributed significantly to our intelligence capability but also very much to our scholarly capability, and I would just like to make the point about the synergy between the scholarly community and the intelligence community during the Cold War years.

That is crucial, and it is a relationship that has atrophied and I would say broken down since the end of the Cold War and needs to be rebuilt.

Part of the rebuilding effort indeed involves open source materials. Now, JPRS, as I say, has ceased to exist. Just for the record, the distinction between what FBIS and JPRS translated was that JPRS translated exclusively books and periodical materials, where FBIS translated more broad media coverage, newspapers, television, radio, intercepts, that kind of thing.

So, where we left ever since the closure of JPRS is that there is no agency in the U.S. government translating books at all, and periodicals very much. That's one real lacuna in I would say

national security vulnerability that needs to be rectified.

Open source materials out of China I need not tell you in this committee have exploded over the past decade plus. Our collection efforts, our national collection efforts, be it the Library of Congress or private sector universities, have tried to keep up with this explosion. It's an impossible task.

One has to be selective no matter if you're a private university or the better endowed Library of Congress. But the real question for the government is the collection of and the translation of these materials and the provision of these materials to government policymakers and intelligence community analysts, and I'm not in a position to make a judgment on that. I'm not in the U.S. government nor the intelligence community so I don't know.

But, again, with respect to China, the Islamic world, this is clearly of highest national priority that we be systematically collecting

materials, translating them, and getting them on to the desks of policymakers and intelligence community analysts. And FBIS, in particular, has a unique role to play here. And again, I encourage you to hold another set of hearings in which you bring FBIS personnel before this Commission.

Now, the Library of Congress has been trying to implement the findings of the two reports that you mentioned, June. Let me just make note quickly of efforts that are being done in the private sector to rectify the collection or the insufficient collection of materials on Chinese national security, foreign affairs, and military affairs in particular, and that--and I'll just speak briefly about one such effort at George Washington University, where in 2003, we created a China Documentation Center which we would like to think would become a national if not international repository of materials in these three subject areas: national security, military and foreign affairs, and we like to think that we have created such a national/international repository.

One reason we did that is because frankly the Library of Congress was not fulfilling its role as a national and international repository in these issue areas. That was clearly identified in the report that you participated in as well as in mine.

So over the last three years, we have built up this China Documentation Center that now includes 4,000, more than 4,000 volumes of books, over 60 back sets of periodicals, many of them very unique-- they don't exist anywhere else in the United States-- in these three subject areas, and we are going to supplement our collection in those three subject areas with new holdings or new acquisitions, I should say, in the areas of Chinese Communist Party, Chinese government, Chinese economy, Chinese society, to include ethnic minorities.

So within, and we have recently had promises of gifts of more than 2,000 volumes on the Chinese Communist Party and Chinese government, that will be made early next year, and a similar number, again about 2,500 books on the Chinese economy, which will be gifted. So our collection six months

from now will be somewhere on the order of 8,000 volumes. It will double.

So we are trying to build such a collection at George Washington that is high in quality in these subject areas. I can elaborate more on that collection if you're interested.

Let me just finish by offering a couple of observations and suggestions for this Commission, more broadly the Congress. What I think is needed is that the Congress, but particularly the House and the Senate Intelligence and Armed Services committees, (a) recognize the need and importance of such open source materials and translations for U.S. national security. They've got to focus on the issue. The 9/11 Commission report, as I say, did.

But there needs to be congressional follow-through on that aspect of the 9/11 Commission report. We've seen in the aftermath of Hurricane Katrina, that there wasn't follow-through in other aspects of the 9/11 report, but there is this OSINT aspect of the 9/11 Commission report that Lee

Hamilton in particular felt strongly about.

Congress needs to follow up on it.

Secondly, as I mentioned, this Commission or other committees in Congress need to hold hearings, closed session hearings, I would suggest, with FBIS and consumers, so-called consumers in the intelligence community and the executive branch, on use of open source translated materials.

Three, Congress needs to stimulate a major legislative initiative with real resources for FBIS, but other executive branch agencies as well, to translate particularly books. I cannot emphasize enough the importance of translating books and periodicals. FBIS' priorities are on internet materials, electronic media, newspapers, television and radio.

And as I say, since JPRS went out of business, nobody is translating books. There's tremendous amount of information about the Chinese military, Chinese Communist Party, in books. In fact, it's a great myth, and I'll close, it's a great myth, I think, when I hear it said that the

Chinese military and the Chinese Communist Party are not transparent institutions.

I reject that. They are highly transparent institutions, if only you read the materials that both of them publish. If you can read Chinese, and if you can't read Chinese, that these materials be translated into English for those who can't.

If you do read these materials, you can learn all sorts of things about how both the party and the military as well as other institutions in China function.

So this is an issue not of academic interest to scholarly research; this is an issue of American national security and intelligence analysis. And I think it's imperative that our intelligence community have those materials translated and put before them, and it's imperative that FBIS and other agencies do this for them and it's impossible that FBIS and other agencies can do this without the resources and the commitment from Congress to do that.

So I would just close--one thing you said at the end, June, of the last session was the need to understand how the Chinese speak to each other. I could not agree more. We need to understand what the Chinese say to each other both in a variety of forms but including in published forms. We need to understand China from the inside out, not from the outside in imposing our misperceptions, our ideologies, our biases and our views on China.

We need to understand the internal discourse of China. That's an intelligence issue of major national security concerns, and that's why I thought it was important to come before you today for this issue. Thank you for your indulgence of time.

HEARING CO-CHAIR TEUFEL DREYER: Thank you so much, Dr. Shambaugh. I am among the many people who lament the demise of JPRS, and the deterioration of FBIS, which simply is not as good as it used to be, and this is an excellent suggestion that we get back with them and see what we can do.

Dr. Mulvenon.

DR. MULVENON: Thank you again to the Commission. I feel like at this point I should have my calls forwarded here.

[Laughter.]

DR. MULVENON: Once again, I lead a team of nine Chinese linguist analysts at the Center for Intelligence Research and Analysis, although I hope by the end of the calendar year, to make it maybe perhaps as many as 13, that specialize in doing what we consider to be bleeding edge, open source and gray literature exploitation of Chinese language material to answer critical, what the intelligence community calls "hard target" type questions. The most important issues that for a variety of reasons "national technical means" that Dr. Shambaugh referenced have been unable to penetrate.

In particular, we continue to do a lot of the work that I have done in my career on Chinese military affairs, collecting sources from a wide variety of areas. You'll pardon me if I'm a bit demur about our field work in this area, but in particular I knew that Dr. Shambaugh would focus on

military affairs in a number of areas, and I wanted to focus on an additional area that we do a tremendous amount of work on just to allow you to see a broader picture of the situation.

We do a lot of work exploiting Chinese language materials on scientific, primarily defense research development and acquisition activities. And I'd like to make three points to this end.

One is that clearly there's been a number of occurrences in the last couple of years that highlight the importance of preventing strategic surprise of the development of Chinese military systems.

Just as one public example that I would highlight was the previously unheralded appearance of the Yuan-class diesel-electric submarine, which may in fact have air independent propulsion. You know we do not want in the future to be in a situation where the first time we see this is on imagery when it rolls out from underneath the pen for sea trials, and more importantly we don't want the first time we see a photo of it to be on an

internet enthusiast site devoted to the Chinese military. We'd prefer to have a little bit more advance warning than that.

So with that in mind as the sort of stakes of what we're talking about, in my view, based on our work, the current explosion of Chinese language materials on science technology and in particular defense R&D are the best way to fulfil the four missions that we really hope that the government can achieve.

And we do work very closely with FBIS as well as the other agencies that are involved in the collection and exploitation. As a taxpayer, I must say sometimes I'm deeply troubled by the fact that they need our services. As a businessman, of course, I'm deeply appreciative, but as a taxpayer, I must admit that there are some dark moments where I'm appalled.

But the four missions that I would highlight are (1) to anticipate these developments on the mainland, and here you must go back to the basic R&D level. You have to be ten years back in

the pipeline to understand the basic R&D that the Chinese are doing on these subjects which is covered copiously in a lot of the materials that are now available.

Second, and I'll be frank here, there is an imperative national security need in many cases to interdict a number of these trends, whether it's a counterintelligence focus on the activities of PRC nationals and their fronts in acquiring specific componentry or know-how in the United States. One only needs read yesterday's paper about another set of arrests in New Jersey involving companies that were operating for almost 15 years in acquiring C4ISR related technologies in the United States. Interdicting it from a counterintelligence perspective, from a law enforcement perspective, and even from a foreign intelligence perspective in terms of understanding the network that creates these situations.

Third, to actually understand the progress being made in these R&D areas up and to the point of the actual deployment of these systems, to the point

where we then because of our knowledge of the basic R&D, actually then also have a knowledge of the potential capabilities as well as the vulnerabilities of these systems.

And then fourth, using these vulnerability information to develop our own capabilities to counter some of these new advances on the Chinese side. Given the time lines, though, of countering, you know, seeing the Yuan-class submarine on imagery as it came out for sea trials means that we're five and maybe even ten years behind the curve on coming up with specific things.

I would only highlight if it is air independent propulsion, for instance, developing a new suite of anti-submarine warfare sensors to be able to pick up this specific signatures of air independent propulsion will require significant retooling of our current sensor suite.

Now, I would say that, third, I would just like to highlight some specific recommendations. My organization is a copious consumer of the Library of Congress' Chinese holdings. I would highlight that

the Library of Congress was prescient in finding something that we found early on to be incredibly powerful, which is the China National Knowledge Infrastructure database system, which is a digitized database on the China academic journal side of more than 6,000 journals, back to the early 1990s, covering perhaps maybe 15 million articles, and I could discuss at more length some of the interesting things you can do with this data, even if you don't know what, you know, single blade turbine fan is in Chinese, there's some tremendously powerful analytical things that you can do with this to achieve, to succeed in the four missions that I outlined.

But Library of Congress does not subscribe to the entire China Academic Journals database underneath CNKI. And as a very preliminary suggestion, I would say that they at the very least need to add the agricultural and medicine databases if only because we have found in our work those to be incredibly powerful tools for long-range indications and warning of SARS, AIDS and avian flu

problems on the mainland, because these things are being discussed at length in Chinese journals in Chinese well before they're admitted to the World Health Organization.

In addition, I would highlight two additional sub-data bases of CNKI that Library of Congress does not currently subscribe to which again we find to be very powerful tools. One is the Dissertation Database that they have which outlines the dissertation work of anyone who receives a Ph.D. in China, which not only allows you to examine the content of these dissertations, but also to build the kind of social network maps that we build connecting people's dissertation advisors to their graduate students.

Some people continue to have closer relationships with their dissertation advisors than others. I won't make any personal comments.

And finally, the Conference Abstracts Database that CNKI runs, which monitors over 400 international and national scientific conferences in China and publishes the abstracts of the papers that

are presented at those conferences. So if those papers are never actually published openly in journals, we can nonetheless get coverage on them.

And then finally, there's an entire different commercial suite of databases that is run by the Wanfang Corporation which we find give us different types of insights than the China National Knowledge Infrastructure, and we like to use both of them as supplements to one another.

The databases that Wanfang offers are listed in my written testimony and I commend them to your attention.

Thank you.

CHAIRMAN D'AMATO: Thank you very much, Dr. Mulvenon. Dr. Chi Wang.

DR. WANG: Good morning. Chairman D'Amato, Vice Chairman Robinson, Commissioner Dreyer, Commissioner Wortzel, I am honored to appear before the U.S.-China Economic and Security Review Commission this morning.

I have been asked to give my thoughts and to answer questions for this public hearing titled

"An Examination of the Library of Congress Chinese Holdings."

In a few moments, I will present a statement that will address as requested by the Commission the changes in the Library of Congress language holdings within the last decade, my general assessment of the current Chinese language holdings, what government needs should be met by the Library of Congress China collection, are these needs being met, and if not, what I see as the major flaws in the collection, and my recommendations on how to better align Library of Congress China collection with the needs of the government.

Until last October, I was an employee of the Library of Congress for almost 50 years. I do not foresee in the future anybody would stay in the Library of Congress for 49 years.

[Laughter.]

DR. WANG: But when they first offered the job to me in 1950s, I did not intend to stay there for 49 years. But I really fell in love with the Library because I love books, I like people.

Without those two factors, you cannot work in the Library of Congress or in any library. You must be willing to help the readers. In the Library of Congress, you must be willing to help the congressional staffers and the people who come to the Library of Congress to do specialized research and you must be interested in reading Chinese books. I don't mean you are paid for reading books in the Library of Congress, but you must be able to find out what are the current publishing trends in China.

I was very, very lucky. I had my predecessors, Dr. Arthur Hummel, who founded the Division of Chinese Literature in 1928 and later on succeeded by Dr. Edwin G. Beal, Jr., who was the head of Chinese Section, and then my predecessor, Dr. K.T. Wu, the most eminent China scholar and also librarian, and I learned a lot of things from these gentlemen.

The Chinese collection, almost a million volumes today, does not happen just yesterday. It took a lot of effort from many, many scholars in the Library, outside the Library, and people like Dr.

Shambaugh, he's very much interested in China collection. Many, many scholars including Commissioner Dreyer are interested in Chinese collection. This helps the Library build a solid collection.

In the early years, from the 1920s to 1949 or '50, the collection was based on building a traditional Chinese study collection. After '49, the PRC was established, particularly after the Korean War, our entire division immediately established a Korean Unit to study Korea, and the trend in those years, the chiefs, the senior managers, they know what is the need of the nation. From the 1950s, I was able to work for the Library of Congress. 1950s until early '90s, the Asian Division was able to build a very good solid contemporary China collection because the study of a traditional China no longer was the dominant feature interest of American scholars.

Many young American China scholars emerged during the 1950s, '60s, '70s from different universities. In the mean time, many East Asian

libraries also were established throughout the United States. So the Chinese section in the Library of Congress played a leading role to set the trends of the China studies in the United States.

Many American China scholars when they study advanced degrees, Ph.D., or master's degrees, before they finish their dissertation, most of them will come to the Library of Congress to consult the Chinese matters as a last resort. This kind of situation changed. It didn't happen after the 1990s because the Chinese collection, especially on contemporary China, lagged behind. Other university libraries had a much better method approach to acquire contemporary Chinese collections.

The commissioners here, they come and ask me, you are the head of Chinese Section for 30 years, why didn't you do something about it, which is a very legitimate question. Believe me, I tried. I tried. For example, Commissioner Mulloy this morning asked why there are six field offices and we do not have a Chinese one?

I pushed that since 1968. Never did the Library give us a good answer why we cannot establish a Chinese field office. Is it because of budget? I do not think so. If the Congress, the Library of Congress, really introduced a bill to the congressional budget committees, I'm sure they would consider it. If we have six offices, why not one for China?

Now, with regard to whether contemporary China can meet the needs, there is no question. We have a pretty good contemporary China collection, but it's not good enough. We need more. I think Commissioner Wortzel mentioned when he went to China, he went to the bookstores to pick up a lot of military books, books on security studies. I do the same thing. I retired, but I still go to China three or four times a year on my own because I like to visit bookstores. Every time I pick up books, I brought them back, I enjoyed them.

I intend to give George Washington Library, the Center for Contemporary Studies, to Dr.

Shambaugh, because that center, I've been there once, is a very small, but it is a very good center.

Now, how to improve the Chinese contemporary collections which is the trend in our nation because China is rising. The United States cannot stop the rising. Whether we like it or not, that's reality. We must try to have a deeper understanding of what's going on inside China. At the present time, for the last three years, there's more than 175,000 titles published in China, but it is impossible for the Library of Congress to collect every title.

And there are more than 500 certified major publishers in China, not counting those small publishers in provinces and counties. Out of the 535 major publishers in China, 300 of them are located in Beijing. If anybody is interested in collecting Chinese books, if you take a trip to China, if you just concentrate your effort in Beijing alone, you'll get most of the important Chinese publications because every time I go there, I ask the [Chinese] bookstore people--these are

called [Chinese] bookstore, and I ask a clerk, I say why don't you bring a book with you. Let me pull out a book on the bookshelf because I can spot the books, which ones are more important for the Library of Congress, and then since 1970s, I was very lucky.

In 1972, the State Department at the recommendation of the Librarian of Congress, Dr. Manford, sent me to China with the approval of Dr. Henry Kissinger. I was the first American librarian to visit China to try to reestablish an official exchange with National Library of Peiping. It was a successful undertaking and from that time on the Library of Congress received hundreds of books every year. Later on, after 1979, annual average, we received between 12,000 to 17,000 volumes of books free from the National Library of China.

But it stopped in late 1990s, early '90s. And I think we should look into it on why it stopped? The books should be coming in. If the Chinese are willing to send books between 1979 to 1989, average 15,000 volumes per year. During that

ten years, we built up 150,000 volumes contemporary China books.

Now, I want to conclude my oral presentation. I think that the Commission should start an inquiry into why the Library of Congress China collection began to deteriorate for the past ten years from 1993 or '94?

Second, I would recommend the Library of Congress reestablish the Chinese Section with an advisory committee consisting of three or four outside scholars to visit the collection periodically, preferably every six months, talking to the Chinese area specialists, the Chinese reference librarians, and interview the users. Only that way, we can be assured that in the future, the Chinese collection including contemporary China or maybe [Chinese] China will play a leading role again in the nation.

Third, we should establish an acquisition facility for presence in Beijing with one director, one assistant from United States, two local employees. I've been thinking about this for many,

many years. It's not going to cost million dollars. That's not true. In India, at one time, we had 200 employees in New Delhi.

COMMISSIONER MULLOY: How many?

DR. WANG: 200. I don't know how many they have there now. And we have one in Jakarta and one in Pakistan, Nairobi, Rio de Janeiro, and Cairo. Those countries are important. Middle East, South Asia, but I think China is even probably more important in the future for our American national interests, for congressional interests, for academic interests and for think tanks like Dr. Mulvenon and professors like David Shambaugh. I think this all can be done.

Last recommendation. In the Chinese section, during the time I was head, for 30 years, we need every specialist from China with a strong knowledge of contemporary China. The area specialists must have a degree in contemporary China studies, not study English or Chinese literature. It's not going to help to build a contemporary Chinese politics, military science, and economics.

This requires a special knowledge. The person must understand the publishing changed in China. And also resume the acquisition trips which I was able to take from 1970s to 1990s.

And I think I am probably over my seven minutes. I'm going to stop here and I have a written statement, and I am going to supply to the chairman some additional memos that I submitted to the Library of Congress.

CHAIRMAN D'AMATO: Thank you. Look forward to that.

DR. WANG: Which would tell you more the stories of the success and the decline of the contemporary China collection.

HEARING CO-CHAIR TEUFEL DREYER: Thank you very much.

DR. WANG: One moment. I'm retired. Now I'm free to say anything I want to.

[Laughter.]

CHAIRMAN D'AMATO: We noticed.

DR. WANG: And what I say is my best intentions. I wish the best for the Chinese

collection in the Library of Congress. I'm not looking for a job in Library of Congress in the future. So I wanted to--everybody in the Library knows. The whole United States, people interested in China know--this is the most important center for doing research on China, and I really think the Commission could help to reestablish a good outstanding Chinese section or Chinese Division back to 1928 in those glorious days.

Thank you.

HEARING CO-CHAIR TEUFEL DREYER: Thank you very much, Dr. Wang. It is most generous of you to be giving these books to the GW collection. I knew that we had three bibliophiles as witnesses here, but I did not realize we also had a GW shetang [ph].

I have three persons on my list for questions, four now. We will start with Commission Chair D'Amato.

CHAIRMAN D'AMATO: Thank you, Madam Chairman. I don't really have a question so much as a couple of comments. I want to thank you all for your testimony. It's very important to us. It's

actionable. It's one of the issues that we took on in the early stages of this Commission, as Dr. Shambaugh knows, and by the way, we appreciate your coming back and giving us another shot.

And I would say that if any of you could identify a house that was sunken in the New Orleans flood that we can say was the "Home of the American Chinese Book Translation Center," we'll be able to get that thing funded very, very quickly in the next couple of weeks.

[Laughter.]

CHAIRMAN D'AMATO: Having watched the president last night, I think, you know, if we can get on that train somehow. I think it's very clear that the level of attention, the level of attention and study that we're giving in this country today is inappropriate to the importance of China to our national security and growing more so by the year as the importance of China grows to the national security of this country.

Let me ask you, Dr. Shambaugh, just one question on your collection. When you say Chinese

military, foreign affairs and national security, when you collect on national security, do you include in national security American economic security? We're trying to develop a larger definition of national security that includes American economic health.

DR. SHAMBAUGH: Chairman, that's a very good question. We do include that. Our acquisitions of materials on Chinese economy, as I say, we have intentionally not systematically been collecting there, but we are now transitioning from, as I say, those first three areas to the next three--politics, economy and society--and we have this gift of 2,500 volumes that we're about to acquire, and we'll be paying greater attention to economic security and energy security.

CHAIRMAN D'AMATO: Yes.

DR. SHAMBAUGH: In our future acquisitions. I would just note, how did our China Documentation Center come to be? Where did these 4,000 volumes come from? And the first answer is they came from donations by individuals in this country who had

them in their personal collections, about six or seven individuals donated their personal collections to establish this China Documentation Center.

On top of that, we go to China regularly to collect further materials in Hong Kong and we are now, we've just hired, in fact, a China librarian, so we're establishing the kind of normal channels of acquisition on top of that. But there is so much good stuff in personal collections, personal libraries, that we felt, you know, that we could amalgamate that material, and that would establish the basis of this collection which it has.

CHAIRMAN D'AMATO: Yeah. I hope there would be some way where your efforts can be--I wouldn't say acquired by the Library of Congress, but can help to energize and move the Library of Congress activities and collection to the next level. I do think that they've made some improvements since we started this exercise, and we think there is more to come.

Thank you very much.

HEARING CO-CHAIR TEUFEL DREYER:

Commissioner Wortzel.

HEARING CO-CHAIR WORTZEL: Dr. Shambaugh, you already answered part of my question where I wanted to ask you about establishment, but I'd like for you to explain how for the future you look at acquisition strategies. You were here, I think, for the Luce grant to the Library of Congress. Are you moving in that sort of direction of really trying to expand what you're doing there?

And then, finally, do you have cooperative relationships with other libraries or institutions in China that would provide books to you?

DR. SHAMBAUGH: Good questions, Larry. We have a very modest acquisitions budget, about 15 to \$20,000 a year. When you look at the Library of Congress' acquisitions budget, it's dwarfed in comparison. But we target those monies very carefully and we go to China ourselves and acquire these materials directly from publishers, and we don't use agents, we don't use people in country to do the collecting. We do it ourselves and we go

straight to the publishers, not bookstores. One must distinguish, as you know, between a bookstore and a publisher.

You go to the Mongshurbu [ph]. So that's how we've acquired our materials and, hence, we don't pay the overheads that these book dealers in China will charge. They normally--one thing I discovered in my Library of Congress study was they basically converted renminbi prices to dollar prices--right. If the book cost 12 renminbi in China, they charge the Library of Congress US\$12.

HEARING CO-CHAIR TEUFEL DREYER: Oh, my God.

DR. SHAMBAUGH: It was a complete scam, and frankly the Library was being taken to the cleaners by their book dealers in China was my view, and it's in my report. We don't bother with book dealers. They are a waste of time and a big waste of money. So that's how we make a little bit of money go a long way.

In terms of trying to get extra grants from foundations, I must take issue with the earlier

discussion this morning. I don't see foundations as being particularly interested in funding this kind of enterprise, either for the Library of Congress or for private sector universities.

The Luce grant was, I think, a one off exceptional thing. It had a lot to do with Terry Lautz, who is the vice president of Luce Foundation and his passion for this subject. Smith Richardson Foundation is the only one I can think of that may possibly be interested in this, but then again it would be a one off grant.

In other words, I don't think university libraries or the Library of Congress can look to private sector funds for this. This has to come from the government and particularly for Library of Congress. But for us, we need to look perhaps to the government as well, and there are some synergies there that I would prefer not to go into in open session.

HEARING CO-CHAIR TEUFEL DREYER: Is it possible you might want to go into them some other time out of session?

DR. SHAMBAUGH: Yes.

HEARING CO-CHAIR TEUFEL DREYER: Thank you. Anyone else want to address that? Are you happy? Okay. Then, Commissioner Mulloy.

COMMISSIONER MULLOY: I want to thank all three of you for being here today and being so helpful. I wanted to ask Dr. Chi Wang, you indicated that you recommended that they do have an overseas acquisition branch for China. Did you make that recommendation prior? Did they establish any of these other centers after you made that recommendation?

In other words, were these already in existence when you made that recommendation or did you make that recommendation prior to them having at least some of these in existence?

DR. WANG: Let me answer your question this way. In 1975, before the Cairo office was established, I was asked to participate in overseas operations division meeting. All the field offices are under the management of the Library's Overseas Acquisitions Division. And each country can present

their ideas and views why your country should have a center. So I representing the Chinese Section, I went to the meeting with the senior managers including associate librarian and deputy librarian.

And that was a very, very heated debate whether we should have a center in Cairo, we have a center in Hong Kong--in 1975 before the normalization of relations with PRC, we could only establish one in Hong Kong--and at the end, the China argument was defeated. So I tried to continue to push for a China center until before I retired not too long ago with the Chief of Asian Division.

The Chief Asian Division was pretty supportive to have the center, but it is the Library top management. I have no idea who was the one really decided that. Maybe the Commission can find out what is the decision mechanism in the Library to have a field office. I think this morning, Commissioner Mulloy suggested why can't the Library decide to eliminate one and replace it by the Chinese center. That may be another way to do it with the budget problem.

I think did try recommending China center, acquisition center, after all the centers were established.

COMMISSIONER MULLOY: Okay. Dr. Shambaugh.

DR. SHAMBAUGH: I would just note on this note of a center, acquisition center in China, that too is one of the key recommendations I made in my report, one of the many that I think have--

COMMISSIONER MULLOY: In 1999?

DR. SHAMBAUGH: '99, yeah. Because, as I argued in the report, in country acquisition is crucial and despite the Luce Foundation grant and the system that has been set up since which is now I guess coming to an end perhaps along with the grant, that's not sufficient to my mind. You need an in country.

As you suggested yourself this morning, Rio de Janeiro compared to China? Jakarta compared to China? Cairo, Nairobi compared to China? Makes no sense. I'd close, you know, just close one or two, move the funds over to China if they can't find the new funds for China.

And secondly, the reason I raised my finger is if one were established in China, I think it's extremely important to keep it outside physically the U.S. Embassy compound, outside, for various reasons of access and collection and the way the Chinese would view it.

COMMISSIONER MULLOY: Dr. Mulvenon, do you have anything you want to add or now Dr. Chi Wang, you had something else?

DR. WANG: May I? I have some comments about the China center. The first time a U.S. Ambassador to Pakistan, Ambassador Hummel when he was Ambassador in Pakistan, he came home on leave. He came to the Library of Congress. He used the Chinese collection at the Library of Congress from time to time. His father was the first Chief of the Chinese Section in 1928, and he has a strong interest about the Chinese collection, and he asked me why you have office in Pakistan but you don't have an office in China? I said that's a good thought. Let me find out what it is.

And then later on, when he became the first U.S. Ambassador to China in 1981, I visited his office in Beijing. He said now I'm in Beijing, Wang Chi. This is your time to get your Chinese center here in Beijing. The embassy is going to support you. Nothing happened.

COMMISSIONER MULLOY: Isn't that interesting? Thank you very much. Thank you, Madam Chairman.

HEARING CO-CHAIR TEUFEL DREYER:
Commissioner Wessel.

COMMISSIONER WESSEL: Thank all of you for being here, some of you arriving or being here recently, some many years ago, and we hope you'll be a frequent guest.

Just a couple of questions if I could, and one also comment to our previous panel, who I see are here still in the room, that I hope they would provide some information regarding some of the information or questions raised by this panel so that we can fully understand the breadth of issues.

I visited, as I said earlier, the division the other evening and was very impressed, but I can't read Chinese, so quite frankly I don't know what I saw. I saw dedicated individuals. I saw a breadth of collection and the description and discussion was broad and clearly there has been a lot of progress, but we all have a long way to go.

And I hope that the issues that are being raised here will go all the way up to the most senior leadership at the Library. I do note that Dr. Billington, who has a robust interest in Russian affairs, has not leaned on anyone to have a division office in the former Soviet Union, so this is not an imbalance in terms of political direction, but clearly from the Commission's point of view, having greater access to materials is important.

Dr. Shambaugh, I'd like to ask you a question somewhat off the mark, but connected, which is in light of your position at GW, as a former student there, are many students in the China program going into military, looking at military affairs and current events? Is it looking at--and I

apologize if I get this wrong--Tang poetry? I mean is it literature? What is the direction of the students these days? Do we also have a significant problem in having people who can actually utilize these materials?

Please.

DR. SHAMBAUGH: Well, I can only speak about George Washington University, not others across the United States, but I think maybe some of what I'll say about my own university is magnified in others, and Dr. Dreyer's experience in Miami may be relevant here. First point is there is strong demand amongst our undergraduate and graduate students for contemporary China, very weak demand for Tang poetry, I must confess.

One has to distinguish, though. There are some schools, GW is one of them--some universities I should say in the United States--George Washington is one of them--that have professional schools of international affairs.

We have one. It's called the Elliott School of International Affairs. There are 12 of

these institutions in the United States. And the students who come into those institutions, largely for master's degrees, although in our case, Georgetown and Fletcher, also for bachelor's degrees, are interested in contemporary China and they're looking for very relevant, job relevant knowledge about China, so that they can find employment thereafter.

I would make two quick observations. They come into the classroom at the master's level, now having spent several years in China themselves, most of them having various degrees of fluency in China. I taught a course in Chinese politics last September. I asked the 25 students in the first day how many of you have lived in China? All 25 hands went up.

How many of you have lived more than two years in China? About 21 hands went up. How many of you have studied more than three years of Chinese? 15 hands went up. How many of you have no problem reading Chinese newspapers without a dictionary? About a dozen hands went up.

So our--and I think that is reflected across the country at major institutions. The student body today now has opportunities to study Chinese in high school, go to China for extensive exposure before graduate school, and after graduate school, and then they get jobs. And they get jobs where? Amongst other places the U.S. government and the U.S. intelligence community.

There is a much improved Chinese language capacity amongst young analysts going into the intelligence community. I think James can speak to this too.

So this is all interconnected, you know, but they have to, even if they go into, for the sake of argument, the CIA and are fluent in Chinese, they don't have the time to read all this open source material. That's where FBIS comes in, to produce, to translate this material and put it on their desks so they can more quickly access it.

But I think the news is good on the demand side and it's good on the supply side. Academic faculty positions on contemporary China going up. I

can tell you right now I've got some Ph.D. students on the market. They're seven, eight very good jobs available right now this year in political science, Chinese politics, international affairs, at major universities around the United States.

Every, you know, state university, many small liberal arts universities now have China, contemporary China programs. So I would say the academic community is doing extremely well. In fact, I read some of the testimony of the session you did on the internet and there was an exchange between Professor Baum and one of the commissioners about--and the Commission was rather derisive, I think about the state of American academic research on China. That's yet another subject for another set of hearings, but my own short take is the American academic community is doing very well on its research of China.

COMMISSIONER WESSEL: Thank you.

COMMISSIONER MULLOY: Can I do just one related to that?

HEARING CO-CHAIR TEUFEL DREYER: Sure.

COMMISSIONER MULLOY: When I was in graduate school, the people who wanted to go write Ph.D.s, they would find out, they wouldn't want to take a topic that there wasn't material relevant to do a good paper. Otherwise, they'd take too long. So your point about the Library getting contemporary stuff on economics and politics and military is so important as a feeder to these youngsters who want to go in and do their academic Ph.D.s in these areas. So that's I think a very important point for the Library to be thinking through because that's where the market for these people is going to be.

HEARING CO-CHAIR TEUFEL DREYER: Any other questions?

DR. MULVENON: June, could I just embellish one point that David made?

HEARING CO-CHAIR TEUFEL DREYER: Sure.

DR. MULVENON: This is a taxpayer versus entrepreneur distinction again. I'm getting actually a lot of resumes these days from the post-9/11 generation of master's level people that went into the intelligence community with Chinese

language skills who are exiting the intelligence community because they were told that they were going to be using their Chinese language because of the community's new commitment to doing deeper open source analysis, and in fact they spend their days polishing three bullet points to go into the book every night, and have not seen a Chinese character since they entered CIA or DIA except in the artwork that's on the walls in the office, and so I think there's a disconnect there now.

That once again emphasizes the importance of FBIS because it is as much a time management issue as anything else. I mean we could get into the larger structural problems about the intelligence community in some other forum, but it is striking that there was a generation of people who worked at CIA who would come in and immediately write 70 or 80-page papers to sort of get their sea legs as to how to do research. You know that era is over and the era is over where people are doing significant amounts of work, even minor amounts of work, in Chinese language. In fact, they're almost

wholly dependent on the feeder they're getting from FBIS.

CHAIRMAN D'AMATO: Well, if that's true, we're going backwards.

HEARING CO-CHAIR TEUFEL DREYER: David.

DR. SHAMBAUGH: One footnote on FBIS. I don't want to leave the impression that the situation at FBIS is dire. It atrophied badly during the '90s, but since fiscal year 2003, the resources have increased, at least for China, but I think overall to FBIS, and the attention being paid to open source translations has increased, and open source translations on China has increased.

If you go to the FBIS portal on the government available FBIS web site, you can see some of the progress that's been made. Again, this needs to be gone into in a different session, but the point I want to make is that bottom of the trough may have been reached in 2002, and the rebound is occurring and there are some very dedicated people, new hirings, some management changes that have taken place, and a greater appreciation of open source.

But they can't keep up with what's coming out unless they have (a) more resources, more translators and pay attention to books. I would really argue that JPRS, or some equivalent to JPRS, be brought back. That's what is really needed.

HEARING CO-CHAIR TEUFEL DREYER: Anything, any other comments? Jim?

DR. MULVENON: I would say that within the system, there are some attempts, as some of the commissioners undoubtedly know, at systematic fixes in the following senses. At one point during the bad days, three, maybe even four U.S. government agencies independently paid outside people to translate Unrestricted Warfare, without knowledge that the other agencies were also using U.S. taxpayer money to translate the same book.

That problem has been fixed. There is now a central clearinghouse whereby these kinds of things are deconflicted and publicly available. And there are limited efforts by some agencies to have outside people translate books.

The structural criticism I would make of the process, however, is that there is almost no attention paid to actually prioritizing what is going to be used for this finite amount of money for this other than the individual whims of people involved in the process. But more importantly, there is no common accepted lexicon. There is a Rosetta stone. There is a lexicon that was developed, but it's not being used.

In other words, you have U.S. government-sponsored translations where there is wide variation in the translation that's used across books. So they're not comparable to one another, so you can't do lateral horizontal studies of Chinese writings on campaign level doctrine, for instance, because the terminology doesn't match up, and in that respect even in English, they're really suboptimal in terms of the utility to people who are trying to understand possibly different opinions across the system. You know in some cases the translations are horrible because unfortunately they're being done by

well meaning, fluent people who work in the translation business.

Unfortunately, their specialty is Tang poetry, not Howitzers and counter low observable radar. And so, you know, you get that perspective, you know, them sort of assessing out what they think the word means when, in fact, a specialist would know right off the bat. So--

HEARING CO-CHAIR TEUFEL DREYER: Well, this, I think, leads me, and thank you for suggesting that, that we pay some attention to the way contemporary Chinese is taught at American universities, and the horrible example in my mind is I had an NDFL fellowship, and I got to third year Chinese, which was taught by a gentleman whose specialty was "The Dream of the Red Chamber," and that is really all he wanted to talk about, and confronted with a Chinese newspaper, when you're trained to read "The Dream of the Red Chamber," is not a happy experience.

DR. MULVENON: June, I had a very similar experience, when I think highlights this for you.

Three years of Chinese at Michigan, two years at Shanghai at Fudan studying Chinese, and I came back to grad school and decided I was just going to go ahead and take my proficiency exam and utterly failed it.

Now, of course, this may, in fact, be just because I have a horrible Chinese language capability, but I think it was more because the proficiency exam was pointed towards people who were doing classical literature.

HEARING CO-CHAIR TEUFEL DREYER: Exactly.

DR. MULVENON: I didn't know what the translation was for chrysanthemum. So the only way I got out of it was I asked the administrator of the exam to give me, to pull up one of his paper copies of People's Daily so that I could translate for him some of the articles on the front, which I did quite easily. And he gave me a pass on the proficiency exam, but the way the system was structured--

HEARING CO-CHAIR TEUFEL DREYER: Exactly.

DR. MULVENON: --was designed to reward people who had very obscurantist lit crit

understanding of Chinese, not people who are interested in the latest Party Congress.

HEARING CO-CHAIR TEUFEL DREYER: Uh-huh. Exactly. Okay. Well, this has been really excellent. I so much appreciate your suggestions. We're very much helped in our work by this, and I want to thank you, all three of you, not only for appearing but for your services, your prior services in training the next generation of scholars, and this may be the only hearing we've ever had to end a few minutes early.

CHAIRMAN D'AMATO: Thank you very much. Thank you.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]